

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: TENTATIVE DESIGNATION OF 1134 WASHINGTON STREET TRUST
DISPOSITION PARCELS SE-58, SE-117, AND SE-118
IN THE SOUTH END URBAN RENEWAL AREA
PROJECT NO. MASS. R-56

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the South End Urban Renewal Area, Project No. Mass. R-56, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, 1134 Washington Street Trust has expressed an interest in and has submitted a satisfactory proposal for the development of Disposition Parcels SE-58, SE-117, and SE-118 in the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That 1134 Washington Street Trust be and hereby is tentatively designated as Redeveloper of Disposition Parcels SE-58, SE-117, and SE-118 in the South End Urban Renewal Area subject to:

- (a) Concurrence in the proposed disposal transaction by the Department of Housing and Urban Development;
- (b) Publication of all public disclosure and issuance of all approvals required by the Massachusetts General Laws and Title I of the Housing Acts of 1949, as amended;
- (c) Submission within two hundred seventy (270) days in a form satisfactory to the Authority of:
 - (i) Evidence of the availability of necessary equity funds, as needed; and

- (ii) Evidence of firm financial commitments from banks or other lending institutions; and
- (iii) Final Working Drawings and Specifications; and
- (iv) Proposed development and rental schedule.

2. That disposal of Parcels SE-58, SE-117, and SE-118 by negotiation is the appropriate method of making the land available for redevelopment.

3. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

4. That the Director is authorized to execute a license with the developer to enter upon 1134-1140 Washington Street and 97-107 East Berkeley Street in the South End as the Director determines proper for the installation of a new roof. Said license shall further provide that the licensee shall obtain liability insurance naming the Authority as co-insured and licensee agrees to indemnify and hold harmless the Authority from any liability and/or damage, resulting from the licensee's use of the premises. Said license to include such other terms and conditions as the Director deems proper and in the best interest of the Authority.

5. That the firm intent of the Authority is to revoke this designation if the above referred conditions are not complied with.

6. That the developer be and hereby is authorized to petition the Board of Appeals for any zoning changes that may be necessary to complete the proposed development.

7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

Document # 4763

MEMORANDUM

June 12, 1986

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: RICARDO A. MILLETT, ASSISTANT DIRECTOR FOR
COMMUNITY DEVELOPMENT AND PLANNING AND
MARIA FARIA, SOUTH END PROJECT COORDINATOR

SUBJECT: SOUTH END URBAN RENEWAL AREA, PROJECT NO. MASS. R-56
TENTATIVE DESIGNATION AND LICENSE AGREEMENT OF
PARCEL SE-58/1134-1140 WASHINGTON - 97-107 BERKELEY STREETS
PARCEL SE-117/14-24 FAY STREET
PARCEL SE-118/28-34 FAY STREET

SUMMARY: This memorandum requests that the Authority tentatively designate 1134 Washington Street Trust as redeveloper of 1134-1140 Washington and 97-107 East Berkeley Street (SE-58), as well as the redeveloper of 14-24 (Parcel SE-117) and - Fay Street (Parcel SE-118). 1134 Washington is a four-story building that will be redeveloped as a mixed use. 14-24 and 28-34 Fay Street will be used as parking for the mixed use development. It is also requested that the Authority grant permission for early site entry for the purpose of repairing the new roof.

Re-use Parcel SE-58 contains a four-story commercial/mercantile building on 8,366 square feet of land bounded by 1134-1140 Washington and 97-107 East Berkeley Street. Parcel SE-117 consists of 2,496 square feet of vacant land located at 14-24 Fay Street and Parcel SE-118 consists of 2,555 square feet of vacant land located at 2-3 Fay Street in the South End Urban Renewal Area Project No. Mass. R-56. The four-story building is currently occupied by Milton Kamenides, owner of a clothing store, The Dover Bargain Store, which occupies 3,300 square feet on the ground floor. On the second floor Mr. Bernard Potischman, owner of Proman Manufacturing Company which makes seat covers, occupies 8,000 square feet.

Parcels SE-58 and SE-117 were jointly advertised for development on Dec. 8, 1985. The solicitation requested development proposals which created affordable, owner-occupied, artists' live/work space, retained the existing tenants on a long-term basis, and retained and created job opportunities. Five proposals were submitted on January 6, 1986.

On March 11, 1986, the Authority sponsored an open community meeting to present the five potential developers and their proposals for community input. The development concept received overwhelming support.

After extensive evaluation, the Authority's staff determined that the proposals submitted by Artist Tenants of the South End (ATSE) and the HUB Building Realty Trust (HUB) best expressed the Authority's development priorities, as well as the City's goals. ATSE is a group of visual artists, painters, sculptors and printmakers who live in the South End as part of the arts community. The escalating rents in the South End are forcing the artists to relocate from the South End. In an effort to remain in the South End the ATSE organized themselves in 1984 for the purpose of seeking a permanent home for artists.

Individuals and organizations in support of ATSE's proposal for 1134-1140 Washington Street include the Pilot Block Neighborhood Association, Representative Edward Markey and Representative Salvatore DiMasi. In addition the Authority has received letters from Senator Kennedy, Representative Moakley and numerous art galleries and South End residents urging that the artists be provided with affordable housing opportunities so that they may remain in Boston.

HUB is a trust formed by Milton Kamenides, owner of the Dover Bargain Store, and Bernard Potischman, owner of Proman Manufacturing Company. Milton Kamenides has been occupying the property since 1980 and has been a neighborhood merchant since 1936. Mr. Bernard Potischman has been occupying the property since 1944. The trust was formed to provide affordable long-term manufacturing and neighborhood service-oriented retail space, as well as to protect the current tenants of the property. The Authority received petitions of support with over 600 signatures.

In view of the strength of both proposals, it was agreed by the Authority, HUB, and ATSE, that HUB and ATSE would enter into an agreement to develop the property in accordance with the standards and criteria of the Developer's Kit. The 1134 Washington Street Trust was formed for the purpose of the joint redevelopment of the property using a condominium plan to permit each party to control development in the portions of the building it will occupy.

Because of the two different uses for this building, two separate parking areas will be required. The building will be developed and owned jointly. 14-24 Fay Street, which was originally advertised along with the building at 1134 Washington Street, will be owned and developed as parking by the HUB Building Realty Trust. 28-34 Fay Street will be included in the designation to allow ATSE to own a residential parking area.

The proposal submitted by 1134 Trust calls for the development of the four-story building into seven permanent artist live/work spaces on the third and fourth floors. The second floor will be rehabilitated for continued use as light manufacturing space for Proman Manufacturing. The first floor will be rehabilitated as retail/commercial space for Dover Bargain Store, Inc. as well as for a retail tenant. Half of the basement area will be allocated to the businesses and half to the residents of the building.

The vacant lots at 14-24 and 28-34 Fay Street will be improved by paving, lighting and landscaping for use of a total of fourteen off-street parking spaces. The proposal projects the retention and the creation of 57 manufacturing and retail jobs which will be held mostly by minority residents of the city. Furthermore, the building will provide eleven local artists an affordable permanent homeownership opportunity.

The Authority will include a limited equity provision limiting the re-sale price to subsequent purchasers of the residential units, according to an index appreciation. The provision will ensure that the property remains affordable for fifteen years. Resale controls for floors one and two will also be included. These will take the form of a restriction on when the units can be sold; controls on the rents that can be charged the retail tenants; and a restriction on the uses to which the units can be put. These controls will remain in place for fifteen years, during which time waiver can be granted with BRA approval.

When the building is rehabilitated, 1134 Trust will convey 1134-1140 Washington Street as a condominium to ATSE/HUB. ATSE will acquire the top two floors and one-half of the basement with the right to develop a roof deck. HUB will acquire the bottom two floors and one-half of the basement. Zarelli-Doney Associates, Inc. is the architect for the 1134 Trust and will oversee the project.

The trustees have estimated the total development cost of the building, excluding the areas set aside for individual tenant cost, but inclusive of common areas of the building such as exterior brick walls, roof, stairways, freight elevator, basement and parking area, to be initially financed by Mr. Milton Kamenides and Mr. Bernard Potischman, at an estimated cost of \$1,083,290. Messrs. Kamenides and Potischman will seek financing of \$1,003,290 from a private lending institution and will contribute \$80,000 from their personal funds. ATSE has agreed to subsequently reimburse Potischman and Kamenides for their portion of the cost of renovation.

Should the Authority approve the tentative designation, 1134 Washington Street Trust will supply final working drawings which will conform with the Authority's standards and guidelines. By granting of a license for early entry the developer will be able to take immediate steps to remedy unsafe conditions by installing a new roof.

It is, therefore, recommended that the Authority tentatively designate 1134 Washington Street Trust as redeveloper of Parcel SE-58 at 1134-1140 Washington and 97-107 East Berkeley Streets, Parcel SE-117 at 14-24 Fay Street and Parcel SE-118 at 28-34 Fay Street in the South End Urban Renewal Area. Furthermore, it is recommended that the Authority authorize the Director to enter into a License Agreement with 1134 Washington Street Trust for early entry to 1134-1140 Washington and 97-107 East Berkeley Streets to remedy unsafe conditions by installing a new roof.

An appropriate resolution is attached.



31a
31A-1
31A-2

P-17

SE-65
TO
SE-60

3b

SE-58/1134-1140 Washington
97-107 East Berkeley Sts.

P-6b
SE-88

SE-117/14-24 FAY STREET

SE-118/28-34 FAY STREET

31B

SE-97

SE-35

SE-84

SE-85

SE-79

SE-80

SE-81

SE-82

49e

EXPRESSWAY

